

Message Text

CONFIDENTIAL

PAGE 01 COLOMB 01681 01 OF 03 101245Z

53

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
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R 101041Z MAY 76
FM AMEMBASSY COLOMBO
TO SECSTATE WASHDC 4796
INFO USMISSION USUN NY

C O N F I D E N T I A L SECTION 1 OF 3 COLOMBO 01681

EXDIS

E.O. 11652: GDS

TAGS: PFOR, PORG, UNCTAD, CE

SUBJ: DRAFT ECONOMIC DECLARATION FOR NON-ALIGNED MOVEMENT
SUMMIT CONFERENCE.

REF: A) COLOMBO 1293 B) COLOMBO 617 C) STATZQ74904
D) USUN 1968

1. SUMMARY: WE HAVE OBTAINED COPY OF "DRAFT ECONOMIC
DECLARATION" PREPARED BY GOVERNMENT OF SRI LANKA (GSL)
WHICH WE UNDERSTAND WAS DISTRIBUTED TO
COORDINATING COMMITTEE OF NON-ALIGNED COUNTRIES (CCNAC)
MEMBERS SOMETIME AFTER APRIL 26. WE STRESS THAT FACT
THAT WE HAVE THIS DRAFT MUST BE ABSOLUTELY PROTECTED.
DRAFT "PROGRAMME OF ACTIONS" IS STILL IN PREPARATION.
WE UNDERSTAND THAT NEITHER DECLARATION NOR PROGRAMME
IS TO BE CONSIDERED FORMALLY BY CCNAC IN NEW YORK
(SEE REF D). RATHER THEY WILL BE REVIEWED AND
REVISED IN DETAIL BY CCNAC FOREIGN MINISTERS MEETING
AT ALGIERS, MAY 30 TO JUNE 4.

2. DRAFT ECONOMIC DECLARATION CONSISTS OF
INTRODUCTION ##

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PAGE 02 COLOMB 01681 01 OF 03 101245Z

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SECTION IS "COLLECTIVE SELF RELIANCE." IT DEFINES THAT CONCEPT AND DESCRIBES GENERAL NAC ACTIONS BASED ON IT. LAST SECTION IS STYLED "GLOBAL INTERDEPENDENCE" AND ELABORATES THEME OF COOPERATION BETWEEN DEVELOPING AND DEVELOPED COUNTRIES BUT STRONGLY STRESSES LDC DEMANDS FOR ACTIONS FAVORING THEIR ECONOMIES.

3. DRAFT IS NOT POLISHED DOCUMENT AND WILL DOUBTLESS UNDERGO MUCH REVISION IN CCNAC. WE BELIEVE IT REFLECTS CLEAR EFFORT TO STRIKE BALANCE BETWEEN MODERATE NAM COUNTRIES DESIRABLE FOR SUMMIT RESULT THAT WILL PROMOTE REAL POSITIVE RESULTS IN LDC NEGOTIATIONS WITH DEVELOPED COUNTRIES AND RADICAL NAM COUNTRIES INEVITABLE INSISTENCE ON INDICTMENT OF DEVELOPED WORLD ACCOMPANIED BY CALL FOR MILITANT LDC SOLIDARITY AND ACTIONS. END SUMMARY.

4. HERE IS DETAILED PARAPHRASE, WITH KEY LANGUAGE QUOTED, OF CONFIDENTIAL

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PAGE 03 COLOMB 01681 01 OF 03 101245Z

DRAFT ECONOMIC DECLARATION. (HSGNAC MEANS "HEADS OF STATE OR GOVERNMENT OF NON-ALIGNED COUNTRIES.")

INTRODUCTION: PRESENT GLOBAL CRISIS IS ONE OF POVERTY, HUNGER, MALNUTRITION, AND DEPRIVATION." HSGNAC, REPRESENTING VAST MAJORITY OF MANKIND, CALL UPON DEVELOPED AND DEVELOPING COUNTRIES TO EMBARK ON STRUGGLE FOR ELIMINATION OF THESE ILLS SO "WE COULD ACHIEVE IN OUR LIFETIME WELL ORDERED

AND TRULY HARMONIOUS GLOBAL SOCIETY." "HSGNAC PLEDGE UNSWERVING DEDICATION TO THIS TASK."

5. ECONOMICS OF NON-ALIGNMENT. NON-ALIGNED PHILOSOPHY IS BOTH POLITICAL AND ECONOMIC. POLITICAL DIMENSION HAS CONTRIBUTED TO ESTABLISHING INTERNATIONAL ORDER WITH GREATER PEACE AND SECURITY THAN 15 YEARS AGO AT BIRTH OF MOVEMENT. NO LASTING PEACE AND SECURITY ARE POSSIBLE WITHOUT JUST AND FAIR SOCIETY PROVIDING ALL WITH ECONOMIC AND SOCIAL SECURITY WHICH IS NOW "INALIENABLE RIGHT OF EVERY CITIZEN OF THIS PLANET." ECONOMIC DIMENSION OF NON-ALIGNMENT HAS PROVIDED FRAMEWORK OF NEW INTERNATIONAL ECONOMIC ORDER (NIEO). ECONOMIC ISSUES IN INTERNATIONAL NEGOTIATION WILL NOW BE "MAJOR CONCERN OF INTERNATIONAL POLITICS."

6. 1961 BELGRADE CONFERENCE RECOGNIZED CLOSE INTERACTION BETWEEN POLITICAL AND ECONOMIC DEVELOPMENT OF NA AND OTHER LDCS. FOLLOWING BREAKUP OF EMPIRES, NEW NATIONS ESTABLISHED POLITICAL INDEPENDENCE. 1964 CAIRO SUMMIT RECOGNIZED THAT POVERTY THREATENED WORLD PEACE AND CALLED FOR RESTRUCTURING OF WORLD ECONOMY. 1972 GEORGETOWN CONFERENCE FORMULATED SPECIFIC PROGRAMS FOR COOPERATION AMONG THIRD WORLD COUNTRIES IN AREAS OF TRADE, INDUSTRY, AGRICULTURE AND FINANCE. 1973 ALGIERS SUMMIT MET "WHEN WORLD WAS ON BRINK OF ESTABLISHING NEW SET OF ECONOMIC RELATIONSHIPS" AND MADE "ITS OWN MOST SIGNIFICANT AND CATALYTIC CONTRIBUTION." IT AFFIRMED NA AND OTHER LDC SOLIDARITY AND PLACED ITS "ENTIRE WEIGHT AND INFLUENCE" BEHIND ACTION BY PRODUCER COUNTRIES, "PARTICULARLY OF OIL, TO OBTAIN REMUNERATIVE PRICE FOR THEIR PRODUCT." ALGIERS SUMMIT CALLED FOR VI TH AND VII TH UNGA SPECIAL SESSIONS.

7. CERDS ACCEPTED BY UNGA WAS VINDICATION OF NA
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PAGE 04 COLOMB 01681 01 OF 03 101245Z

ECONOMIC PHILOSOPHY BY WORLD ECONOMY AND "REJECTION OF SYSTEMS OF EXPLOITATION----." HSGNAC ARE CONVINCED THAT ACCEPTANCE OF CERDS PRINCIPLES IS "NECESSARY SAFEGUARD TO PROTECT WEAKER NATIONS OF DEVELOPING WORLD IN AGE OF INTERDEPENDENT RELATIONSHIPS."

8. HSGNAC RECOGNIZE THAT NA ECONOMIC THINKING AND ACTIONS HAVE INFLUENCED AND BEEN INFLUENCED BY "ARTICULATE AND DYNAMIC" G77. NA MOVEMENT WITH ITS "COHESIVE ECONOMIC AND POLITICAL PERCEPTIONS" AND "RADICAL ORIENTATION" HAS CONTINUED TO SHAPE G77 WHICH HAS EMERGED AS "GLOBAL FORCE OF COUNTER-WEIGHING POWER." NA AND OTHER COUNTRIES ARE BUILDING UP NETWORK OF "INSTITUTIONS, CHANNELS AND LINKAGES" AMONG OWN MEMBERSHIP TO "STRENGTHEN ITS ECONOMIC SOLIDARITY." HSGNAC PLEDGE CONTINUANCE THIS TASK.

9. DAKAR CONFERNE ON RAW MATERIALS IS PROMINENT
IN EVOLUTION OF NEW STRUCTURE OF INTERNATIONAL TRADE.
DEVELOPING PRODUCER COUNTRIES HAVE EMBARKED ON NEW IN-
ITIATIVES FOR ESTABLISHMENT OF NIEO AT TIME WHEN TWELVE MAJOR
PRIMARY COMMODITIES (EXCLUDING OIL, ACCOUNTING FOR ABOUT
80 PERCENT OF TOTAL LDC EXPORT EARNINGS, BRING ONLY US \$30
BILLION WHILE SAME COMMODITIES ARE BINALLY SOLD FOR OVER
US \$200 BILLION. 1975 LIMA CONFERNE SET NEW GUIDE-
LINES FOR NACS IN PROGRAMME OF MUTUAL ASSISTANCE AND
SOLIDARITY WHICH HAD UNDENIABLE IMPACT ON G77 MANILA
DECLARATION. LATTER DECUMENT GIVES CUCRETE FORM TO
EVOLVING NA ECONOMIC PHILOSOPHY AND IS COMPREHENSIVE
STATEMNT ON GROUND RULES FOR NEGOTIATION IN ESTABLISHMENT
OF NIEO.

10. NEW INTERNATIONAL ECONOMIC ORDER: HSGNAC "DECLARE FIRM
DETERMINATION AND RESOLVE TO ESTABLISH NIEO." "OLD ORDER"
SERVED DEVELOPED COUNTRIES LAST THIRTY YEARS. THEY ENJOYED
AFFLUENCE WHILE FOR DEVELOPING COUNTRIES,"TIME HAS BEEN OF
INCREASING MISERY." "TRADE WAS NOT ENGINE OF GROWTH BUT
SYMBOL OF ABJECT DEPEDNENCE." DEVELOPING COUNTRIES
"CHRONIC AND ENDEMIC ECONOMIC DISEASE" IS POVERTY.
DEVELOPED COUNTRIES HAVE SOLVED PROBLEMS ASSOCIATED WITH MATERIAL
DISCOMFORT. DEVELOPING WORLD NOW DEMANDS "INTERNATIONAL
ECONOMIC SYSTEM WHICH WILL PROMOTE RATHER THAN OBSTRUCT
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PAGE 05 COLOMB 01681 01 OF 03 101245Z

THEIR ECONOMIC EMANCIPTION ". "END OF EXPOITATION
AND ELIMINATION OF EXPLOITATIVE MECHANISMS IN TRADE, INDUSTRY,
FINANCE AND TECHNOLOGY ARE BASIC PRECONDITONS TO NIEO."

NOTE BY OCT: ## OMISSIONS IN TEXT; CORRECTION TO FOLLOW.

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PAGE 01 COLOMB 01681 02 OF 03 101246Z

42

ACTION SS-25

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FM AMEMBASSY COLOMBO
HQ RUEHC/SECSTATE WASHDC 4797
INFO USMISSION USUN NY

C O N F I D E N T I A L SECTION 2 OF 3 COLOMNBO 01681

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11. HSGNAC ARE CONVINCED OF NEED TO RESTRKAURE ENTIRE APPARATUS OF INTERNATIONAL TRADE. PRIMARY PRODUCER HAS TO BE ENSURED HIGHER PROPORTION OF FINAL CONSUMER PRICES. MANUFACTURED PRICES HAVE ESCALATED BEYOND ALL RELATION TO PRICES OF INPUTS. TOTAL IMBALANCE IS GLARINGLY REVEALED BY FACT THAT 50 PERCENT OF WORLD'S POPULATION PRODUCES ON 7 PERCENT OF GLOBAL INDUSTRIAL PRODUCT. HGSNAC ARE RESOLVED TO END THIS UNEQUAL PARTNERSHIP.

12. INTERNATIONAL MONETARY SYSTEM CONTINUED TO OBSTRUCT DEVELOPING COUNTRIES' ASPIRATIONS. DURING 1970-74 DEVELOPING COUNTRIES RECDEVED LESS THAN 4 PERCENT OF INTERNATIONAL RESERVES CREATED (US\$3.7 BILLION OUT OF US \$102 BILLION). HSGNAC CONSIDER INTERNATIONAL MONETARY SYSTEM IRRELEVANT IN AGE OF INOLRDEPENDENCE. LIQUIDITY CREATION SHOULD BE CENTRAL INSTRUMENT IN INTERNATIONAL TRANSFER OF RESOURCES TOWARDS POORER SECTION OF INTERNAOXONAL COMMUNITY. SDR'S CONSTITUTE ONLY SMALL PERCENTAGE OF INTERNATIONAL RESERVE CREATION. INCREASING SDR'S AND AUTOMATIC LINK BETWEEN CREATION OF INTERNATIONAL LIQUIDITY AND LONG TERM DEVELOPMENT ASSISTANCE SHOULD BE AT VERY HEART OF REFORMED WORLD MONETARY SYSTEM, INDEED AT CENTER OF NIEO.

13. HSGNAC CONSIDER PRESENT STRUCTURES, NETWORKS AND MECHANISMS FOR INTERNATIONAL RESOURCE TRANSFERS NOT ONLY INADEQUATE BUT DIVISIVE. ARBITRARY POLITICAL, COMMERCIAL AND ECONOMIC PREDILECTIONS OF DEVELOPED COUNTRIES DENY PRINCIPLB
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PAGE 02 COLOMB 01681 02 OF 03 101246Z

OF GENUINE NEED. "RICH COUNTRIES" PROPOSAL TO TRANSFER 7 PERCENT OF GNP IN OFFICIAL DEVELOPMENT ASSITANCE HAS BEEN MASSIVE FSAPPOINTMENT.NFDEVELOPING COUNTRIES HAVE ACCUMULATEFR EXTERNAL DEBT WHILE NET DISBURSEMENTS HAVE BEEN ERODED OF "ALL DYNAMISM AND FLEXIBILITY. "LACK OF POLITICAL WILL AMONG DEVELOPED COUNTRIES" BECOMES EXCUSE FOR FAILURE TO PROVIDE EFFECTIVE POLITICAL LEADERSHIP TO INHERENT IDEALISM OF DE-VELOPED COUNTRIES' PEOPLES. HSGNAC APPRECIATE GRASS ROOT EHTRGENCE OF MOVEMEMD IN DEVELOPED COUNTRIES WHICH AIM TO IMPROVE CONDITION IN THIRD WORLD."

14. HSGNAC RECOGNIZE URGENT NEED TO INCREASE PRODUCTION IN AGRICULTURE, FOOD AND INDUSTRY. DEVELOPED COUNTRIES' INDUSTRIAL AND AGRICULTURE POLICIES HAVE HINDERED RATHER THAN HELPED LDCS. PRODUCTION TECHNOLOGY TRANSFER AND ADAPTATION HAVE BEEN RESTRICTED TO MAXIMIZE PROFIT BY TRANSNATIONAL CORPORATIONS AND OTHER DEVELOPED COUNTRIES' AGENCIES. SCIENCE AND

TECHNOLOGY, NOW AT PERIPHERY OF DEVELOPING NATIONS' SOCIETIES, SERVING AFFLUENT MINORITIES, SHOULD BE MADE TO SERVE DEVELOPING COUNTRIES. HSGNAC DECLARE FIRM CONVICTION OF NEED TO ESTABLISH NIEO. ITS NEGOTIATION IS MOST URGENT TASK OF GOVERNMENTS. SUREST WAY TO ACHIEVEMENT IS "COLLECTIVE SELF-RELIANCE." SUREST OUTCOME IS "GLOBAL INTERDEPENDENCE."

15. COLLECTIVE SELF RELIANCE (CSR): HSGNAC PLEDGE TOTAL COMMITMENT TO COMPREHENSIVE ELABORATION AND ULTIMATE REALIZATION OF CONCEPT OF COLLECTIVE SELF-RELIANCE. CSR IS IMPERATIVE OF HISTORY. COLONIALISM AND IMPERIALISM BROUGHT ABOUT UNNATURAL AND RESTRICTIVE CONTACTS BETWEEN DEVELOPING AND SO CALLED METROPOLITAN POWERS. ONE OF GREATEST OBSTACLES TO DEVELOPMENT ARE THESE ENFORCED RELATIONSHIPS WHICH ARE PRODUCT OF EXPLOITATION. DEVELOPING COUNTRIES, PARTICULARLY NON-ALIGNED, ARE DETERMINED TO FASHION ECONOMIC POLICIES IN CONSONANCE WITH OWN NEEDS, PROBLEMS AND EXPERIENCE. THIS IS BASIC CSR PREMISE, HSGNAC ARE CONVINCED THAT CSR IS NOT CONTRADICTION OR ANTAGONISTIC TO EVEN MORE IMPORTANT STRAND (SIC) OF GLOBAL INTERDEPENDENCE WHICH IS PREREQUISITE OF WORLD PEACE AND SECURITY. CSR WILL PROVIDE GREATER BALANCE AND NEW PERSPECTIVES IN ESTABLISHMENT OF NIEO OF GLOBAL CONFIDENTIAL

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PAGE 03 COLOMB 01681 02 OF 03 101246Z

INTERDEPENDENCE.

16. CSR MEANS UTILIZATION OF DEVELOPING COUNTRIES' RESOURCES TO PROMOTE SOCIAL JUSTICE AND PUBLIC PARTICIPATION IN DEVELOPMENT, ESTABLISHMENT OF MORE EGALITARIAN INTERNATIONAL ECONOMIC PATTERNS. IT PRESUPPOSES STRUCTURAL CHANGES IN DEVELOPING COUNTRIES' ECONOMIES. HSGNAC RECOGNIZE VALIDITY AND URGENCY TO FORMULATE POLICY FRAMEWORK FOR SATISFACTION OF BASIC NEEDS AT TIME WHEN 700 MILLION PEOPLE LIVE IN ACUTE POVERTY AND NEARLY 500 MILLION SUFFER SEVERE PROTEIN MALNUTRITION. CONCEPT OF BASIC NEED IS OF UNIVERSAL APPLICABILITY. ERADICATION OF POVERTY WILL BE FOCAL POINT IN DEVELOPMENT PROCESS. IMPROVEMENT IN WELFARE AND NOT GNP SHOULD BE TOUCHSTONE OF ALL DEVELOPMENT. IT IS STRATEGY WHICH WILL RECONCILE DICHOTOMY BETWEEN GROWTH AND DISTRIBUTION. BASIC ELEMENT IN CSR IS DEFINITION OF ECONOMIC GOALS AND STRATEGIES. DEVELOPING COUNTRIES, PARTICULARLY NON-ALIGNED, REJECT BECOMING SUPER AFFLUENT

SOCIETIES BASED ON HIGH MATERIALS CONSUMPTION. WORLD
RESOURCES SHOULD BE CONSERVED. DEVELOPING NATIONS,
PARTICULARLY NON- ALIGNED, REJECT IMITATIVE APPROACH.

17. HSGNAC ARE CONVINCED OF TREMENDOUS POTENTIAL FOR
INCREASED COOPERATION AMONG LDS. PLANNING MUST LEAD TO
INCREASING COMPLIMENTARIES IN THEIR ECONOMIES. THEY ARE
DETERMINED TO PURSUE PATH OF GREATER COLLABORATION IN
POLICIES IN AGRICULTURE, INDUSTRY, TRADE AND FINANCE
RESULTING IN INCREASED TRADE FOR MUTUAL BENEFIT. MAJOR
DEFICIENCY AMONG DEVELOPING NATION IS PRESENT LACK OF
INSTITUTIONAL MECHANISMS FOR GREATER COOPERATIONS. HSGNAC
UNDERTAKE TO OVERCOME SUCH PROBLEMS AS MATTER OF UTMOST
POLITICAL PRIORITY. CSR MEANS CREATION OF REGIONAL AND
SUB REGIONAL GROUPINGS IN ACCORDANCE
WITH OVERRIDING THIRD WORLD NEEDS. DEPENDENCE ON
INDUSTRIALIZED CENTERS HAS TO BE REDUCED. TECHNOLOGY
ADAPTION CAN BE UNDERTAKEN ON BASIS OF SELF RELIANCE.
EACH BILATERAL LINK SHOULD BE ENLARGED WHEN FEASIBLE TO
EMERGE AS MULTILATERAL NETWORK OF DEVELOPING COUNTRY
RELATIONS.

18. HSGNAC ARE DETERMINED TO DEVELOP CSR CONCEPT IN
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PAGE 04 COLOMB 01681 02 OF 03 101246Z

CONCRETE TERMS IN NEGOTIATIONS WITH DEVELOPED COUNTRIES.
"THERE WILL BE NO CONFRONTATION BUT DIALOGUE BUT IT WILL
BE DIALOGUE BETWEEN THOSE DEVELOPED AND AFFLUENT AND THOSE
POOR BUT UNITED." DEVELOPING COUNTRIES SHALL EXERCISE RIGHT
OF NATIONAL ECONOMIC SOVEREIGNTY OVER RESOURCES AND PRODUCTION.
COMMODITY PRODUCER GROUPS SHOULD SUPPORT ONE ANOTHER
ON BASIS OF MUTUAL INTERESTS. WEALTHIER MEMBERS'
RESOURCES SHALL BE MADE AVAILABLE TO OTHERS ON BASIS
OF MUTUALLY SATISFACTORY CONVENANTS AND CONTRACTUAL
ARRANGEMENTS.

CONFIDENTIAL

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PAGE 01 COLOMB 01681 03 OF 03 101251Z

53

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W

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FM AMEMBASSY COLOMBO

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C O N F I D E N T I A L SECTION 3 OF 3 COLOMBO 1681

EXDIS

19. DEVELOPED NATIONS DIVISE ATTEMPTS ARE CONTRARY TO INTERDEPENDENT SPIRIT. THEY SHALL NOT WEAKEN CSR. DEVELOPING NATIONS WILL NOT BE DIVERTED FROM HISTORICAL TASK BY ATTEMPTS TO DEVELOP SPECIAL RELATIONS BETWEEN GROUPS OF DEVELOPED COUNTRIES AND "OTHER GROUPS OF DEVELOPING NATIONS." CONCERTED BARGAINING STRENGTH OF DEVELOPING COUNTRIES SHOULD BE ORGANIZED TO OBTAIN FAIRER TERMS IN INTERNATIONAL TRADE, PARTICULARLY FOR COMMODITIES, RAW MATERIALS, AND FOR TECHNOLOGY TRANSFER. "BASIC NEEDS" PHILOSOPHY IS IMPORTANT IN FOOD SUPPLY QUESTION. HUNGER AND MALNUTRITION SHALL BE ELIMINATED BY CONCRETIZATION (SIC) OF CSR.

20. COOPERATION AMONG NON-ALIGNED ON BASIS OF COMPLIMENTARIES OF NATIONAL ECONOMIES PROVIDES FIRM BASE FOR RAPID ECONOMIC GROWTH. HSGNAC RESOLVE TO ESTABLISH "NECESSARY INSTITUTIONAL FRAMEWORK" TO ACHIEVE THIS UNIQUE OBJECTIVE. THIRD WORLD INTERDEPENDENT RELATIONSHIPS WILL OFFSET PRESENT COLLECTIVE DEPENDENCE ON INDUSTRIALIZED CENTERS.

21. COOPERATION AMONG NON-ALIGNED AND OTHER DEVELOPING NATIONS TO INCREASE THEIR BARGAINING POWER IN INTERNATIONAL ECONOMY THROUGH USE OF LATENT CAPACITY FOR JOINT ACTIONS IS OTHER FORMIDABLE DIMENSION OF CSR. THIS IS ALSO INSTRUMENT OF INCREASE RESOURCE FLOWS FOR DEVELOPMENT. COMMODITIES AND ELEMENTS OF INTEGRATED PROGRAM IS ONE EXAMPLE. HSGNAC ARE ANXIOUS FOR INTER-CONFIDENTIAL

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PAGE 02 COLOMB 01681 03 OF 03 101251Z

NATIONAL DIALOGUE IN THESE AREAS. HOWEVER, THEY ARE CONSCIOUS OF NEED TO CREATE CREATIVE ALTERNATIVES FOR UNILATERAL ACTIONS.

22. GLOBAL INTER-DEPENDENCE (GID): HSGNAC RECOGNIZE NEED FOR AND REAFFIRM FAITH IN GID. DEVELOPING AND DEVELOPED COUNTRIES NEED EACH OTHER. TERMS OF GID HAVE TO BE STRUCK THROUGH FAIR AND EQUAL BARGAIN BETWEEN DEVELOPED AND DEVELOPING COUNTRIES. BOTH PARTIES' WELFARE AND AFFLUENCE

DEPENDS NOT ON CONFRONTATION BUT IN CONSULTATION AND APPRECIATION OF NEED TO MAKE WEAK STRONGER. GID MEANS AFFIRMATION OF PRIORITIES IN INTERNATIONAL ECONOMIC DEVELOPMENT. COLLABORATION ON INTERNATIONAL GOALS IS POSSIBLE ONLY IF "PRIMARY NEEDS OF DEVELOPING COUNTRIES ARE MET AS MATTER OF UTMOST PRIORITY."
NIEO IS COUCHED IN FRAMEWORK OF PRINCIPLES FOR NEW SET OF INTERNATIONAL ECON ###

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TWICE NUMBER OF NATIONS NOW EXIST THAN WHEN OLD ORDER ESTABLISHED. SOUTHERN COUNTRIES CANNOT LOOK WITH INDIFFERENCE ON DEVELOPED COUNTRIES' DRIVE TOWARD SUPER-AFFLUENCE WHILE INJUSTICES AND BURDENS ACCUMULATE.

23. GID MEANS ACTIVE INVOLVEMENT OF BOTH DEVELOPED AND DEVELOPING COUNTRIES IN PROBLEM OF DEVELOPMENT CRISIS. MEANINGFUL GID SHOULD REDUCE REAL COSTS OF ECONOMIC GROWTH AS IT LEADS TO INTERNATIONAL DIVISION OF LABOR. INTERNATIONAL RESOURCE TRANSFER MECHANISMS SHOULD ALL BE "ATTUNED TO NEEDS AND TILTED TOWARDS ASPIRATIONS" OF DEVELOPING PEOPLES. PRIMARY POLLUTION TO BE ELIMINATED FROM INTERNATIONAL SYSTEM IN AGE OF INTERDEPENDENCE IS POVERTY.
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PAGE 03 COLOMB 01681 03 OF 03 101251Z

24. DEMAND FOR NIEO IS FOR GENUINE ACCEPTANCE OF GID CONCEPT AND NOT FOR REDISTRIBUTION OF DEVELOPED COUNTRIES' WEALTH. TARGETS ACCEPTED BY VAST MAJORITY OF COUNTRIES WITHIN FRAMEWORK OF INTERNATIONAL DEVELOPMENT STRATEGY ARE MINISCULE IN RELATION TO DEVELOPED COUNTRIES' RESOURCES. HSGNAC FIRMLY BELIEVE DEVELOPMENT OF POOR COUNTRIES NEED NOT INVOLVE ANY GENUINE SACRIFICE TO LONG-TERM INTERESTS OF AFFLUENT PEOPLES. THEY DO DEMAND END TO RELATIONS BETWEEN DEVELOPED AND DEVELOPING NATIONS WHICH FERRY LDC'S RESOURCE FLOWS WHICH ARE THEIR RIGHT AND WHICH THEY COULD OBTAIN IN SYSTEM NEGOTIATED BETWEEN EQUAL PARTNERS.

25. NIEO HAS BEEN MISREPRESENTED AND LESS THAN ENTHUSIASTICALLY ENDORSED BY SOME DEVELOPED COUNTRIES.

IT IS NOT THREAT NOR SYSTEM ###

ANGERED DEVELOPED

COUNTRIES' AFFLUENCE. IT IS NOT DISGUISED ATTEMPT TO ENHANCE POLITICAL AND MILITARY POWER OF SOUTHERN STATES. IT IS ARRANGEMENT FOR LONGER TERM PROSPERITY OF BOTH DEVELOPED AND DEVELOPING COUNTRIES. RAW MATERIAL AND COMMODITIES OF DEVELOPING COUNTRIES HAVE VALUE FAR GREATER PRESENTLY OBTAINED BY THEM. PRESENT VALUES ARE DETERMINED BY STRUCTURES PREDICATED ON LOW WAGES AND MINIMUM PROCESSING. IT IS INALIENABLE RIGHT OF DEVELOPING COUNTRIES TO DETERMINE MODE AND MANNER OF THEIR PRODUCTS' DISPOSAL IN MOST REMUNERATIVE TERMS SO THAT RESOURCES ARE AVAILABLE FOR THEM TO DIVERSIFY AND INDUSTRIALIZE. NIEO IS NOT DIFFERENT FROM SYSTEMS EVOLVED IN HISTORY OF ECONOMIC EVOLUTIONS. MERCANTILISM GAVE WAY TO LIBERALISME FAIRE. LATTER HAD FINEST EXPRESSION AFT WWII. HSGNAC ARE CONVINCED THAT FREE PLAY OF MARKET FORCES, WHETHER INTERNALLY OR INTERNATIONALLY, CANNOT ACHIEVE GOAL OF BETTER LIFE FOR THEIR PEOPLES. INTERNATIONAL MARKET MECHANISMS BASED ON UNEQUAL STRENGTH BETWEEN RICH AND STRONG AND POOR AND WEAK CANNOT LEAD TO SATISFACTORY OUTCOME. MANY GOVERNMENTS HAVE RECOGNIZED THIS IN THEIR INTERNAL ECONOMIES. ACCEPTANCE IN INTERNATIONAL TERMS WILL LEAD TO MORE CIVILIZED AND MORE HUMANITARIAN TRANSNATIONAL RELATIONSHIPS.

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CONFIDENTIAL

PAGE 04 COLOMB 01681 03 OF 03 101251Z

26. DEVELOPING NATIONS ARE DETERMINED THEY WPSL MAKE OWN CONTRIBUTION TO EVOLUTION OF MORE SATISFACTORY, MORE EGALITARIAN AND MORE SOCIALLY CONSCIOUS INTERNATIONAL ECONOMIC ORDER. WITH THIS OBJECTIVE IN VIEW, HSGNAC DECLARE DETERMINATION TO UNDERTAKE IMPLEMENTATION OF COMPREHENSIVE ACTION PROGRAM TO ESTABLISH NECESSARY COORDINATING AND OTHER INSTITUTIONAL MECHANISMS FOR THIS PURPOSE. END OF DRAFT ECONOMIC DECLARATION.

27. DEPARTMENT MAY WISH TO REPEAT THIS DOCUMENT TO INTERESTED PARTS, ESPECIALLY USDEL NAIROBI, BUT WE STRESS CAVEAT ON PROTECTION OF FACT OF POSSESSION AND THAT IT OBTAINED IN COLOMBO.
PERKINS

NOTE BY OCT: ### OMISSIONS IN TEXT; CORRECTION TO FOLLOW.

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